



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

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ADMINISTRATIVE LAW JUDGE AMY YIP-KIKUGAWA and
ADMINISTRATIVE LAW JUDGE DOUGLAS LONG, co-presiding

)	EVIDENTIARY
)	HEARING
)	
)	
Application of Pacific Gas and)	
Electric Company Proposing Cost of)	Application
Service and Rates for Gas)	13-12-012
Transmission and Storage Services)	
for the Period 2015 - 2017 (U39G).)	CONSOLIDATED
)	
Order Instituting Investigation on)	
the Commission's Own Motion into the)	Investigation
Rates, Operations, Practices,)	14-06-016
Services and Facilities of Pacific)	
Gas and Electric Company.)	
)	

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1 Q But you didn't do a specific
2 calculation to determine how much less
3 capacity Commercial Energy would be allocated
4 under your methodology?

5 A No, I didn't.

6 Q Just to be clear, does your
7 proposed methodology does it apply to only
8 intrastate capacity or the allocation of
9 interstate capacity as well?

10 A My -- since I was of the impression
11 that this proceeding was addressing
12 intrastate capacity and storage and
13 interstate was being addressed in a different
14 proceeding, my testimony addressed
15 specifically intrastate and storage.]

16 However, my approach would be
17 reasonable to use for interstate as well.

18 Q Okay. And you're aware that
19 Mr. Elmore's proposal in this case,
20 the methodology that he was proposing for
21 allocation -- allocating capacity applied to
22 both interstate capacity and intrastate
23 capacity. Is that your understanding?

24 A I was surprised to find that out.
25 His testimony was very unclear about it
26 because his -- I think I even have
27 the testimony here. His testimony gives
28 a preliminary statement regarding how

1 pipeline limits for interstate pipeline
2 capacity procurement?

3 A No, I didn't. I think I said that
4 in my testimony.

5 Q Does that mean you have no
6 independent opinion or understanding about
7 whether PG&E is within or towards the lower
8 end or higher end of any limits established
9 by the Commission?

10 A I don't know what you mean by
11 "limits." I mean what are you talking about
12 limits? There's a lot of limits in the
13 world.

14 Q Range of pipeline, interstate
15 pipeline capacity that PG&E must hold.

16 A My testimony doesn't address
17 interstate pipeline capacity.

18 Q Let me ask you, again in your
19 rebuttal testimony on that same page 10 at
20 lines 18 through 19 you say:

21 Clearly, if PG&E had in place a
22 mechanism to allow a CTA to
23 accept or reject these contract
24 extensions, there would be less
25 excess capacity resulting in
26 stranded costs.

27 Does that sentence, do these
28 contract extensions refer to contracts for

1 question asked?

2 A Basically.

3 Q And your answer was yes. And then
4 you explained your answer over several pages;
5 correct?

6 A My answer indicated that under my
7 proposal, there would be -- if you draw a
8 circle around -- a circle around just the
9 specific allocation of costs associated with
10 intrastate pipeline capacity -- because
11 that's what I'm -- and I think I tried to
12 clarify that's what I've looked at in this
13 proceeding.

14 If you draw a circle around that
15 and you say, "Okay, in isolation, let's look
16 at those costs," then there would be a slight
17 increase in costs to the core --

18 Q The bundled core?

19 A -- the bundled core associated with
20 my proposal. But at the same time, there's
21 an offsetting cost shift that's going from
22 core -- bundled core customers to CTAs as a
23 part of the end -- the termination or the
24 terming out of the transition mechanism that
25 was put in place in Gas Accord V.

26 Q And we'll get to that in a few
27 moments.

28 In answering this data response,

1 ALJ YIP-KIKUGAWA: Let's go back on the
2 record.

3 I'm going to note for the record
4 that Judge Long is now also sitting with me
5 on the dais. I need to leave shortly before
6 4:00 and Judge Long will be here for
7 the conclusion of today's hearing.

8 And with that, we continue with
9 Mr. Carroll.

10 MR. CARROLL: Thank you, your Honor.

11 Q I'm going to ask just a few more
12 questions, Mr. Monsen.

13 Would you turn to page 13 of CE-1
14 your direct testimony.

15 A Okay.

16 Q Looking at Figure 4, I see
17 the numbers on the two vertical axis are
18 different. So I was trying to figure out
19 what the left vertical axis represents and
20 what the right vertical axis represents?

21 A The left vertical axis represents
22 total CTA load less Commercial Energy which
23 is as its labeled and the right vertical axis
24 is Commercial Energy.

25 Q Then I want to go back to these
26 questions about the system just a bit and
27 then I will be done.

28 When Mr. Hawiger was examining you,

1 he asked you some questions about this
2 1-in-10 year cold and dry year planning
3 standard. Do you remember that?

4 A That's right. I remember that.

5 Q And there you used the term "its
6 system." I wrote it down. Were you meaning
7 when you used "its system" there the backbone
8 system?

9 A I don't remember that exact.

10 Q Now, at the bottom of page 13, you
11 talk about a greater need for backbone
12 capacity on PG&E's system as a whole. Do you
13 see that?

14 A Yes.

15 Q And when you use PG&E's system as
16 a whole there, are you talking about backbone
17 capacity only as opposed to some other
18 capacity on PG&E's --

19 A Yes.

20 Q Okay. And then I take it when you
21 talk about PG&E's system, you're never
22 talking about interstate capacity; is that
23 correct?

24 A I tried to exclude that from my
25 testimony because I thought that was out of
26 bounds in this proceeding.

27 Q And I understand that. But what
28 I want to know clearly is when you say PG&E's

1 system, you're not talking about any pipes
2 outside the state of California, are you?

3 A No, I don't think so.

4 Q So you are not --

5 A I can't think of an example in here
6 but you would have to point me to one.

7 Q So no. I don't I think that's
8 right. I just want to clarify for the record
9 that you're not talking about interstate,
10 inter, t-e-r, state pipeline capacity when
11 you talk about PG&E's system?

12 A Yes. I've tried to limit my
13 discussion to backbone.

14 MR. CARROLL: And your Honor, I think
15 that will take care of it. Thank you for
16 your indulgence.

17 ALJ YIP-KIKUGAWA: All right, thank
18 you.

19 Mr. Hawiger.

20 MR. HAWIGER: Thank you very much, your
21 Honor. I just have very few questions.

22 CROSS-EXAMINATION (resumed)

23 BY MR. HAWIGER:

24 Q One, I just want to compare, if you
25 go back to the exhibit that you discussed
26 with Mr. Carroll, that's PG&E-121.

27 A Is this the SPURR, CE response to
28 the SPURR data request?